



Eaton Federal Savings Bank

236 South Cochran Ave., P.O. Box 219, Charlotte, Michigan 48813 • Telephone (517) 543-3880

November 6, 1997

Cynthia L. Johnson, Director
Cash Management Policy and Planning Division
Financial Management Service
401 14th Street SW, Room 420
Washington, D.C. 20227

Dear Director Johnson:

This letter is in response to the proposed rule by the U.S. Treasury Department that would force financial institutions to provide an electronic transaction account to recipients of federal payments. We strongly object to the proposal. This is simply the method the Treasury plans, to overcome their inability to force recipients to accept electronic funds transfers. This also represents government intervention into private business.

There is absolutely no reason banks should be forced to supply savings accounts to anyone. In addition to supplying the savings accounts, we apparently will also be required to give these accountholders some type of ATM card and teach them how to use them. The supplying of an ATM card poses additional problems for financial institutions. First, many of these elderly recipients would have difficulty trying to use an ATM machine. If the proper numbers are not inserted at the correct time, ATM machines will automatically capture the card.

Many systems allow cardholders to withdraw a certain amount when access to their account isn't possible because the system is inoperable. Banks could face significant losses because of unscrupulous cardholders who use several different machines. In addition to the above, banks currently have the right to reject savings and checking account applicants because of their previous illegal use of accounts. Banks should continue to have the right to make a reasonable business decision regarding the granting of account privileges. Our Federal Charter gives us this specific right.

307 S. Main Street
Eaton Rapids, Michigan 48827
(517) 663-1551

500 S. Clinton, P.O. Box B
Grand Ledge, Michigan 48837
(517) 627-6292

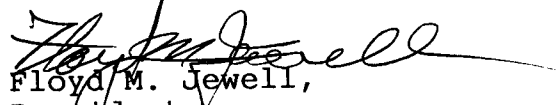
109 S. Main Street
Nashville, Michigan 49073
(517) 852-1830

103 S. Main Street
Olivet, Michigan 49076
(616) 749-2811

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It seems to me there are two basic issues involved with the proposed rule. First, there are obviously many recipients who want to continue to receive their payment by check. Regardless of safety or convenience factors they still prefer this method of payment. Secondly, this is a classic example of government intervention into private business. Regardless of the governments reasons, banks should not be forced to accept these accounts. I urge the Treasury to reconsider this proposed rule.

Very truly yours,
Eaton Federal Savings Bank


Floyd M. Jewell,
President